



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Fillmore Field Office

95 East 500 North

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



IN REPLY REFER TO:
3809 (UTW02000)
UTU-89111

September 17, 2012

CERTIFIED MAIL #7011 3500 0000 1992 0741
RETURN RECEIPT REQUESTED

RECEIVED by
Sep 18 2012
Email

DECISION

DIV. OF OIL, GAS & MINING

MR. CLAY FRANKS :
COSMIC AMERICAN RARE EARTH, INC. : 43 CFR 3809 - Surface Management Notice
9161 WEST SAHARA AVE. STE 105-F9 : UTU-89111
LAS VEGAS, NV 89117 :

Determination of Required Financial Guarantee Amount

Your Notice near Dog Valley, in Juab County, Utah has been assigned Bureau of Land Management (BLM) case file number UTU-89111. Please refer to this number for any future communication concerning the Notice. The Utah Division of Oil, Gas and Mining (UDOGM) file number is S/023/0110.

Your Notice is now complete and contains all information required by BLM surface management regulations at 43 CFR 3809.5.

Your Notice proposes excavation of up to six trenches no more than 14 feet in diameter, no more than 100 feet in length individually, and up to 5 feet deep, and a series of small 2-foot deep auger holes in an ephemeral stream channel, using up to 1700 feet of cross country travel. The project is located at T. 14 S., R. 02 W., sections 05, 06, and 08. The proposed operation was reviewed by various resource specialists who have determined the operation, as proposed, will not cause unnecessary or undue degradation as defined under 43 CFR 3809.5. Access to some of the drill sites is across an existing fence; you must receive proper authorization in advance from the BLM for operations that modify or remove the fence. If modified or removed, the fence must be replaced in its original condition after operations.

Amount of Financial Guarantee – This office has calculated a reclamation cost estimate and consulted with Utah Division of Oil, Gas and Mining (UDOGM) on the financial guarantee. BLM has determined that the amount of \$7,900.00 is sufficient to meet all anticipated reclamation requirements on lands administered by the BLM. The amount of the reclamation cost estimate was based on the operator complying with all applicable operating and reclamation requirements.

BLM's decision concerning the amount of the required financial guarantee, the determination that your Notice filing is complete, and the determination that your operations, as proposed, will not cause unnecessary or undue degradation does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State, and local laws and regulations and to obtain all applicable Federal, State, and local authorizations and permits. You are responsible for preventing any unnecessary or undue degradation of public lands and resources and for reclaiming all lands disturbed by your operations.

Required Financial Guarantee – A financial guarantee in the amount of \$7,900.00 must be filed with the UDOGM and accepted by the BLM Utah State Office, PO Box 45155, Salt Lake City, Utah 84145-0155. You must receive written notification from the BLM Utah State Office acknowledging and obligating your financial guarantee before you may begin any surface disturbing operations.

The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact Rita Stelmach or Opie Abeyta, Land Law Examiners at the BLM Utah State Office, at (801) 539-4121 and (801) 539-4123, respectively for further information on the adjudication of financial guarantees.

This decision does not constitute certification of ownership to any entity ^{by} ~~notice of this decision~~, recognition of the validity of any associated mining claims, or recognition of the economic feasibility of the proposed operations. **RECEIVED** *Emmal*
SEP 19 2012

Term of Notice – Your Notice will remain in effect for 2 years from the date of this decision, unless you notify this office beforehand that operations have ceased and reclamation is complete. If you wish to conduct operations for another 2 years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333. **DIVISION OF OIL, GAS & MINING**

Appeal of the Decision Determining the Required Financial Guarantee Amount - If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may request that the BLM Utah State Director review this decision. If you request a State Director review, the request must be received in the BLM Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a Stay is granted by the State Director. Standards for obtaining a Stay are given below. If you request a Stay, you have the burden of proof to demonstrate that a Stay should be granted.

If the State Director does not make a decision concerning your request for review of this decision within 21 days of BLM's receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You may contact the BLM Utah State Office to determine when BLM receives the request for State Director Review. You have 30 days from the end of the 21 day period in which to file your notice of appeal with the IBLA (see procedures below). If you wish to bypass a State Director review, this decision may be appealed directly to the IBLA in accordance with the regulations contained in

43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in the Fillmore Field Office (FFO) at 95 East 500 North, Fillmore, Utah 84631 within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 for a Stay of the effectiveness of this decision during the time that your appeal is being reviewed by the IBLA, the petition for a Stay must accompany your notice of appeal. A petition for a Stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a Stay must also be submitted to each party named in the decision, to the IBLA, and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a Stay, you have the burden of proof to demonstrate that a Stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a Stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the Stay is not granted, and
4. Whether the public interest favors granting the Stay.

If you have any questions, please contact Duane Bays, Fillmore Field Office (FFO) Natural Resource Specialist, at (435) 743-3115, or Jerry Mansfield, FFO Geologist, at (435) 743-3125.

Sincerely,

/s/ Michael D. Gates

Michael D. Gates
Field Manager

Enclosure: Form 1842-1

cc:

Wayne Western and Paul Baker
UDOGM
1594 W North Temple Ste 1210
Salt Lake City, UT 84114

Opie Abeyta (UT-923)
Utah State Office/ BLM
PO Box 45155
Salt Lake City, UT 84145-0155

DBays:bh

RECEIVED *by E mail*
SEP 19 2012
DIV. OF OIL, GAS & MINING